

# FISCAL NOTE

## HJR 857

March 23, 2006

**SUMMARY OF BILL:** Urges the Governor to assist local education agencies with rising transportation costs from any available funds to help offset increased fuel costs and to include an earmarked appropriation within the administration's general appropriations act for FY 2006-07.

### ESTIMATED FISCAL IMPACT:

**Other Fiscal Impact - If the intent of this resolution is implemented, an amount exceeding \$100,000 in state funds will be earmarked within the appropriation act for FY 2006-07 to provide financial assistance to local education agencies for increased fuel costs. The budget would have to account for the earmarking of these funds, either through reduced expenditures in existing programs, increased revenues, or collections in excess of projections.**

#### Assumptions:

- Over the past five years, the cost of fuel and lubricants, as reported by the LEAs is as follows:
  - 2004-05 - \$17,511,518
  - 2003-04 - \$11,916,163
  - 2002-03 - \$10,505,652
  - 2001-02 - \$ 8,917,850
  - 2000-01 - \$10,888,501
- As costs rise for transportation, so does the BEP formula. Actual transportation costs, including the cost of fuel and lubricants, are used to determine funding within the non-classroom component; therefore, some of the increases are reflected within the BEP formula.
- On average, the State funds 50% of the total amount generated in this component, while the local government funds the remaining 50%.
- Based on data obtained from the U.S. Department of Energy, national diesel averages per gallon range from a low of \$1.41 in January, 2003 to a high of \$3.04 in September, 2005.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director